



Panel Presentation: Public Symposium

The Rise of the Renter Nation: The Australian Chapter

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Housing affordability and urban community: some thoughts.

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Hello, thanks for the opportunity to speak today. I'm an urban sociologist, and one of my interests is urban community, how it exists, whether it exists, and whether in fact we need it at all in the forms that many assume. The rise of the renter nation is a phenomenon that encompasses much change and many challenges, and I would like to make a small contribution today by talking from a bit of a sociological perspective about the nature of urban community and some of the possibilities both positive and negative that may be worth considering.

There is little doubt that exorbitant house prices in our capital cities are here to stay for some time yet; there is too much invested in self managed superannuation funds, the rapidly appreciating family home (for those lucky or old enough to own a house), and the fact that international investors are prepared to pay the premium that comes with investing in the security of a stable liberal democracy.

Property ownership has a long and proud history in Australia; it is the foundation of the Australian Dream. We are one of the few countries or perhaps the only country that uses terms like 'property ladder', or 'housing career', to represent the phenomenon whereby people continually upgrade their homes over the life course to take advantage

of untaxed capital gains; or buy investment units to claim the losses, deliberately incurred in these investments from the Australian taxpayer. As long as property connives to have the role of home as well as tax effective wealth creation vehicle, then the prospect of a stable, slow moving property market that allows for equitable access and stable long term neighbourhoods will probably remain an illusion. The media's role in this 'growth machine' is also important, as auction clearance rates and record quarterly house price increases are reported breathlessly by News Limited and Fairfax, owners of the two largest online real estate advertising sites.

On the supply side local authorities remain reluctant for many good reasons, and some bad ones, to release more land for traditional suburban sub-divisions, preferring instead to consolidate and densify our cities into compact cities. Unfortunately these policies have yet to relieve the pressure on house prices or provide low income Australians and families with a viable inner city alternative to the Australian Dream of a detached house in the suburbs.

What I would like to do is to divide the city into the inner and suburban 'zones' for the moment and speak a bit about how the rise of the renter nation might manifest in both of these realms.

First to the inner city, where much of the growth in housing supply is happening in Australian capitals. Governments at every level have endorsed the idea of a compact city, but this dream is not being well implemented. If we are to become a nation of renters, then the inner city and its cultural and economic attractions need to be more widely available.

Most of the growth that is happening in inner cities and certainly in Brisbane has been at the high end of the unaffordability scale. High priced inner city brownfield apartment developments are built primarily as studios, one and two bedroom options, guaranteeing their attractiveness to investors in the form of domestic self managed super funds and also, increasingly, as safe places to park capital for the

growing wealthy middle classes of Asia. These towers of short term renters, consisting of well-heeled students, young professionals and the odd empty-nester mean that the prospect of establishing any form of durable neighbourhood in these inner city developments is unlikely. If we are to become a nation of renters, particularly a nation of apartment-dwelling renters, there needs to be vibrant, diverse and stable inner city neighbourhoods, of the type that Jane Jacobs imaged, with active street life, accidental spaces, accessible green space and attractive to parents, in other words, a strong public realm. The people who live in these apartments must encounter economic, life stage and preferably ethnic diversity, with a bit of diversity of cultural outlook and sexual preference thrown in for good measure. What results is not necessarily the 'community' of place characterised by strong local norms and dense networks of affect, but a more cosmopolitan outlook where tolerance and diversity become shared values. Without these characteristics of both place and population, these developments become high priced dormitories or fortresses with high turnover and dull homogeneity.

Many of you will be familiar with the Brisbane City Council's recently announced Kurilpa Riverfront Renewal project, a master planning process to incorporate the conversion of 25 hectares of inner city river front land from its current outdated industrial use. The Brisbane City Council and State Government initially announced the plan, not to the people of Brisbane, but to the property developers of Brisbane at a sold-out \$150 a head launch in August this year. The council wants, in their words: to "optimise the commercial potential of the site and provide developer certainty". Which is all well and good, if we are happy with the status quo, which is unfortunately the dull homogeneity etc I just described. But if we are to have diverse, cosmopolitan and durable inner city neighbourhoods, then imagination is called for and developers are notoriously unimaginative unless the playing field is levelled *for* them through strong and *independent* planning driven by *real* consultation and international best practise. Kurilpa is an opportunity (possibly one of the last opportunities) for local and state

governments to create proper diverse and enduring inner-city neighbourhoods and there is a brief public consultation process underway now. It remains to be seen though, whether the \$150 a head launch was a celebration of done deals, or just an innocent fund raiser.

So enough of the inner city for the moment.... to the suburbs where, meanwhile, the great Australian dream of a house on a detached block is alive and well, even for generation Y, despite the increasingly slim chances they have of achieving this. In addition to the literature attesting to this, my straw polls with sociology students over the past five years have shown an increasing willingness to accept that they may never become home owners.

Urban community of place is an assumption rather than a reality for most of us; one that doesn't hold up to too much scrutiny and certainly not a self fulfilling prophesy, as many property marketers and policy makers would like us to think. The appeal to strong local community for the more cynical amongst us is a trojan horse for the abrogation of state responsibility to a communitarian ideal. The way that community is used by these people is often a simulacrum, an appeal to something that never existed in the first place, in this country anyway.

So the suburban community ideal is a different beast to that of the inner city and there are other other more realistic manifestations of urban community, particularly the networked variety, which far better describes the way that a highly mobile urban population stays connected to people functionally separated into school, work, university, sporting clubs and the other many roles that we have.

Not that there is no room for local community, it's just that most people are too busy. The '*idea*' of strong local community, what some call a 'sense' of community is a very attractive one, hence its exploitation by marketers and political strategists. So how does a nation of renters fit with this rather complex mix of ideal and reality in the suburbs?

For a start, research others and we have done in the suburbs

indicates that home owners don't particularly like renters. While attitudes do not reflect the reality of the rental experience, renters are seen as what Zygmunt Bauman refers to as 'flawed consumers', as itinerant, unreliable and the source of behaviours that threaten harmony, aesthetics and property values in the suburbs. The perceived (and actual) high mobility of renters contributes further to the already high short and long term mobility of suburban residents, all of which conspire to lower people's expectations of the possibility of the enduring long term relationships required for suburban community.

So the move from a nation of homeowners to the renter nation presents us with at least several possibilities. The first is that renters will continue to be stigmatised by the home owning elite, in which case the plight of an increasing numbers of renters will inevitably become a mainstream political concern, rather than a more niche concern of the political left and welfare lobby. The sheer number of renters will mean that policy makers might need to fundamentally address the current imbalance between owners and renters rights.

The outcome of this is that renting itself might become an acceptable, rather than a stigmatised norm - we will mature as a nation of renters and become more like the Dutch, the Germans or the Swiss where variously forty - sixty percent of the population live in either social or private sector rental accommodation and enjoy security of tenure underwritten by strong consumer protections and tenancy terms including indefinite contracts. However in order for this to happen, renters will need to have the political representation that I have just suggested, and a government willing to take on the powerful vested interests represented by property ownership. This alternative would require an enormous amount of political will and leadership - an effective winding back of the neoliberal project, at least as far as it affects the market for homes.

The alternative to this scenario is of course increasingly polarised cities, where the property owning elites retreat into gated estates, subject to paranoid levels of surveillance and the further privatisation

of their existence, effectively cut off from the remainder of the population, resulting in a shrinking public realm, fit only for a rapidly growing underclass of rent-stressed tenants.

So what I have outlined here, particularly for the suburbs says nothing new in global terms, what we have is a stark reminder that we might be at a crossroads between the rental experiences of Europe and those of the United States. Our historical economic trajectory would seem to be leading us toward the latter, but our historical political and cultural trajectory might enable us avoid the worst excesses of that particular scenario.

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Dr Peter Walters is an urban sociologist from the School of Social Science. He researches and publishes on urban community and change in the inner city and the outer suburbs. He is leading a project researching governance and the urban poor in Bangladesh, in collaboration with academics and students from the University of Rajshahi. He also researches agro-forestry and village life in the Solomon Islands, which has nothing to do with cities.